GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4101
ANSWERED ON:03.05.2007
RESTRUCTURING OF PETROLEUM SECTOR
Reddy Shri Magunta Sreenivasulu

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has taken any steps for restructuring in the petroleum sector;

(b) if so, the details thereof; and

(c) the progress made so far as a result thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (c): Yes, Sir. Advisory Committee on Synergy in Energy (ACSE) under the Chairmanship of Dr. V. Krishnamurthy submitted its report in July, 2005 with recommendations on policy and structural changes and also suggesting certain management solutions for improved performance of the oil companies in the public sector.

In line with the recommendations of the Advisory Committee on Synergy in Energy, Kochi Refineries Limited (KRL) has been merged with its holding company Bharat Petroleum Corporation Limited (BPCL). The merger of IBP Company with Indian Oil Corporation Limited (IOC) is in the final stage. Steps have been initiated for the merger of Bongaigoan Refinery and Petrochemicals Limited (BRPL) with IOC.

Government has approved the building of 5 Million Metric Tonnes (MMT) strategic crude oil reserves at three locations at (i) Mangalore (1.5 MMT),(ii) Vizag (1.0 MMT), and (iii) Mangalore or nearby location (2.5 MMT). In-principle decision has also been taken to construct 15 MMT of strategic storage in phases.

The Petroleum & Natural Gas Regulatory Board (PNGRB) Act, 2006 was notified in the Gazette of India on 3.4.2006.